

## TRANSACTIONAL TO TRANSFORMATIONAL LEADERSHIP –

### A CONCEPTUAL ANALYSIS

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#### ABSTRACT

*In a globalised world, the role of every employee in an organization does not stagnate only with the idea of becoming a successive leader, but also to instill the organisational culture in them. Leadership is an individual's ability to efficiently direct a group of individuals or workers towards achieving pre-set goals of a given organisation. The characteristics of leaders have to impact the growth of the organisation. Developing the characteristics and skills is what differentiates between a follower and a leader. This paper tracks the impact of "Transformational leadership" on the society.*

*The topic which has made a key impact on the global world post the industrial revolution was the qualities that have to be possessed by an industrial leader and entrepreneur which continues to be a debatable topic till today. Though there are many terms which describe the style of leadership, ranging from autocratic to laissez-faire, transformational leadership is a style in which, both subordinates and the leader, together identify the need for the organisation, set up a goal, and accomplish the same with a number of committed members.*

*This conceptual paper contributes to the understanding of transformation that has taken place in the leadership style over a period of time and the necessary changes that will occur in the future in order to keep pace with the changing world. This study is done to bridge the gap between the skill sets and the characteristics that the traditional leaders possessed and how the influence of leadership has evolved from an era of post and pre - independence and a comparative study between spiritual, motivational and political leaders with business and functional leaders based on their quality traits.*

**KEYWORDS:** Leaders, Spiritual Leaders, Functional Leaders, Political Leaders, Motivational Leaders, Transformational Leaders, Skill Sets And leader ship Traits

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#### INTRODUCTION

Traditionally, a leader is always a person who held a superior position in their own field and who had a high degree of control over their followers. In the early 15th century, a leader was in the form of kings and rulers, who involved in decision making and focused on the welfare of the kingdom and their disciple. In the post-medieval period, (19th century) leaders followed a certain type of principles such as spirituality, high morality, unity, integrity, humanity etc. and had a large number of like-minded people who followed them. In the generation of millennials, the term leader was no longer a national phenomenon.

The need to have a leader to guide us in the right path started centuries ago, in which initially there was a massive need for spiritual leaders. Pre - independence era stands as an example for this where many people were

dependent on God and raised those people to fame whom they believed to have the stereotyped characteristics that of a godly figure. As the ages passed by, the survival of Homosapiens was questioned by the threat of invasion which led to the migration of natives to far off lands. This situation gave rise to motivational leaders, who instigated the thought of unity, democracy and freedom among their followers. After the wars came to an end, the need for a political leader became necessary, who were diplomatic, encouraging and understood the wants of his fellow citizens.

Due to globalization, leaders not only followed principles but also possessed skills such as managing interpersonal relations, handling multi-cultured teams, delegation of work, understanding people's needs etc. In today's world, people who have the right skill sets are given an equal opportunity to be a leader, unlike olden days, where the heirs of the royal lineage were assumed to be successive kings.

Max Weber (1947) defined Traditional Leadership is a type of leadership style which is based on a belief that power is bestowed on leader, in keeping with the traditions of the past. Kenneth Boulding (2007) defines leadership as process by which a person influences others to direct and make others to efficiently work towards a goal and see to that the organisation achieves it and makes cohesive and coherent.

On the other hand transformational leadership is the ability to get people to want to change, to improve, and to be led. It involves assessing associates' motives, satisfying their needs, and valuing them etc. A four factor model developed by Northouse (2001) is the simplest way to explain transformational leadership. It is also known as 4 Is, which are *Idealised influence, Inspirational motivation, Intellectual stimulation and Individual consideration*. An effective transformational leadership is attained by following the principles, leads to performance that exceeds the expectations of an organisation. This outcome was termed to be "Performance beyond Expectations".

## NEED FOR THE STUDY

Leadership is not a position of power but a position of responsibility. Leadership comes with sensitivity. Understanding what others can think and being in a pace with people in your teams. It's a quality that brings about visualizing the future of others working with you, when everybody else cannot see.

Studying about the traditional and modern leaders can give us a big picture of how changes have occurred over a period of time from kingship to business leaders. The role of leadership is ever changing. It is very essential to bridge the gap between traditional leaders to modern leaders; in order to keep in track with basic evolution of behaviors, traits, transformations. Due to change in culture and environment there has been a drastic change in characteristics based on skill set, innovation, competitions etc.

Money is one of the major factors now days; it's more of requirements, conditions and rewards these are done in order to improve the qualities of work. Being unique is a very important factor being a leader, to achieve the goal and to lead the team to achieve their targets & objectives in an efficient and effective manner. So it is important to know about the qualities of leaders in each era and how it has made an impact on recent scenario in modern world. A transformation brings about variety of changes and wide range of leadership styles.

"Recognises & exploits need of potential follower & their motives, to satisfy higher needs and engages him within".

## OBJECTIVES

- To identify the traditional and transformational leadership qualities of leaders.
- To trace the transition of a traditional leader to a transformational leader.

## REVIEW OF LITERATURE

To understand the importance of transformational leader in an organisational context, understanding the other existent theories of leadership styles and their application to the current scenario is equally important. The comparison, drawn by several authors, is vital to the discussion. The common theory with which the differentiation is made is with transactional leadership.

### The Transactional - Transformational Model

When Burns (1978) introduced transformational leadership, he included a distinction of the transactional and transformational leader. He described that transactional leaders are the one who engage in simple exchanges of work and rewards with followers which cause better performance, contributing to achieving the organisational goals. On the contrary, transformational leaders often engage in those types of conversations with their followers, which are often based on common values, beliefs, and goals. This method too encourages employees to work toward attaining the organisational objectives. He described this relationship as mutual and beneficial both to followers and leaders.

Bass (1985) proposed a two factor model that distinguished the transformational and transactional leader. He observed transactional leadership as a process which followed management by exception and contingent reinforcement. Management by exception is a method in which the leader does not acknowledge and react to issues unless they involve unsatisfactory performance by the employees. The main objective is to focus only on the negative or disruptive performances. In contingent reinforcement the leader and follower agree on certain actions which are to be awarded and penalized.

Yukl (1989) once identified a concern by observing the transactional - transformational model. He quoted that *“it is fast becoming a two-factor theory of leadership processes, which is an unwarranted oversimplification of an complex phenomenon”*.

The traditional leadership practice has always focused on analytical domain of leaders. The contemporary ideologies have an emerging high demand, needs and greater expectations from their employees. Therefore the need of the hour is a more holistic approach to leadership.

### ACES — A Model for Holistic Leadership Development

- **Analytics:** This has been the primary motif of both corporate leadership development and business school education. Analytically skilled leaders understand and manage their group members in a better way in situations where there is a need for direct application of analytical skills like calculating the break-even point, analyzing the market before launching a new product etc.
- **Conceptual:** It is necessary to develop leaders who are capable of both comprehend and manage interrelated intricacy and endorsing creativity of their followers. As an example, designing and managing a project plan for a new product development project requires a leader to establish advanced conceptual skills.

- **Emotional:** It is said that highly attuned emotional leaders are proficient in understanding and regulating human emotions. The emotions of the fellow employees are leveraged as a source of energy by the leaders and are used in shaping influence on follower behaviour. For example, aligning employees around an inspiring vision for a new product development project team requires a leader to employ well developed emotional skills.
- **Spiritual:** The last two domains that of emotionality and spirituality have not been given enough focus as the other two mentioned earlier by the world of corporate. Spiritually illuminated leaders entitle their followers to link both individual tasks and the mission of the larger firm. These leaders help their followers to understand deeply the moral and ethical values that are to be highly regarded for both the betterment of the company and also for the society on the whole.

As we move into the present scenario, *i.e* in the 21st century, unending innovation has become a vital determinant of the success of the organisation and its survival in the market. The top management in every organization knows about the potential influences on innovations, but they almost neglect the fact that certain actions have to be taken to develop the people at work who must lead these efforts in improving the organisation. Therefore, equal importance must also be given to the capabilities and capacities of a potential leader in order to keep the creative efforts alive among the employees.

### Conceptual Analysis

Always best lessons can be learnt from past leaders, which can be taken forward for future betterment. This analysis helps us to know how the leaders were there in the past era's making their individualities and having principles to attain their goals. In order to make the study understandable the authors are comparing motivational, spiritual and political leaders with business leaders over eras.

### Motivational Leaders

Motivational leader is an art from where leaders implement a strategy to make their followers and their people to work in pace with them by providing a positive attitude, making them feel their responsibility. Motivational leaders are that who have the ability to uplift and inspire people to perform at their best maximum levels (Brian Tracy, 2016). Leadership is used as a means of motivating others. A leader must know to fulfill the basic needs and make the environment convenient for the people contributing to the organisation. These types of leaders have shared common characteristics and changes in attributes of innovation and ideas which makes them unique from others. They have an intimate relationship, unlike other leaders they try to create trust and safe environment they make people to work towards a common goal to ensure that it is positioned for their success in the domain - in their own field. This type of leadership has been traced from pre- independence era and has started spreading all over the world. Now due to change in culture it's been modified according to their domain or environment in which they work. Their strategies were different but their ultimate destiny was to attain the goal. They were not born leaders, everyone can become a leader but it takes time to reflect and assess our own habit, capability and perspectives.

One of the most famous motivational leaders of the early century was Swami Vivekananda. He belongs to the pre-independent period of 19th century (1863). Many people including elders got motivated because of his teachings. He believed in self-motivation. His consistent effort on achieving his vision was for the nation with motivating people by giving high teachings on Hinduism and spreading it throughout the world.

There are few quotes from his life which people follow till date like “Best way to serve god was through serving mankind” by which he conveyed that creating good people is a quality of good leader, one of the main qualities of Swami Vivekananda, which portrayed his motivational leadership, is that he served people, by motivating them with his preaching. He made others to realise their roles and responsibilities. The other famous quote of his being “Committing to excellence is the most powerful of all motivational techniques” which signifies that the work will get with perfection only if it is done with full involvement and perfection.

There were few real time life incidents from his life which portrayed his leadership qualities. Swami Vivekananda's ultimate aim was to spread the religion of Hinduism as a national language. He had all qualities of leadership but, Swami Vivekananda was an inspirational leader, he fought for the nation without expecting anything from people. He was a key figure of vedanta and yoga to the western world. Swamiji lived for humanity and Bharat (nation). He founded the Rama Krishna mission on the name of his leader “Shri Rama Krishna Paramahansa”. When the system of entire value of the nation was lost, he along with thousands of followers fought for the nation by forming the trust. Swamiji was the major contributor of revival of Hinduism in India. He was the person who contributed true nationalism in colonial India.

### **Political Leaders**

Political leaders play an important role as the authority of Government. They assess the distribution of power and resources, build relationships with other stakeholders and make decisions that can have a great impact on the well-being of a nation and its people. Leadership in the political framework requires a focus on the long-term good of a country, above and ahead of any personal short-term gains. Good political leadership requires the right blend of individuality and integrity, as well as the ability to assess a situation and make a decision based on what would be best for the greatest number of people. One such example is Nelson Mandela. He belongs to pre- independent period, born in the 20<sup>th</sup> century, a nationality of South African community. Mandela was the first president of South Africa. He formed the African national congress and South African communalist party. He is known for his anti-apartheid moment. He was a person who has inspired by thousands of people for his integrity and persistent aim towards his vision.

There are few quotes from his life which people follow till date like “Our human compassion binds us to one another- not in pity or patronisingly, but as human beings who have learnt how to turn” – this proves to us how adjusting to the situation is very essential in order to achieve group goals, in an organisation people have to work with different culture of people, so we are together not for the reason of showing unity but also for achieving the goal with excellence. There were few real time life incidents from his life which portrayed his leadership qualities. During his political career he motivated many people to join hands with him and to struggle for equal rights for black majority. He also involved himself in his right to trade unions, education and culture for everyone. In order to provide equality for all the Africans with other people living in the world, he formed anti- apartheid moment and joined hands with many Africans for the mass rally “people can govern”.

### **Spiritual Leaders**

The spiritual leader understands that his/her leadership is one of servant hood. The spiritual leader leads by example. The spiritual leader recognizes that he is first and foremost a servant. The spiritual leader is concerned with the souls of those he leads. This is not to say that he cares nothing for the physical needs of his people. But his primarily responsibility is leading them to spiritual maturity so that they will be fully equipped to face the challenges of the real life.

One such example is Dalai Lama. He is a Buddhist monk of the Gelug or yellow hat school of Tibetan Buddhism. They are popularly known as spiritual leaders. The 1<sup>st</sup> Dalai Lama was born in the year 1391, belongs to the 14<sup>th</sup> century. They formulated this spirituality in the year 1300. The 1<sup>st</sup> one starting with “Gedun Drub” to 14<sup>th</sup> of “Tenzin Gyatso” they spread their Buddhism throughout the world. They are the followers of Lord Buddha.

There are few quotes from his life which people follow till date like “Responsibility does not only lie with the leaders of our countries or with those who have been appointed or elected to do a particular job. It also lies with each one individually” and “World belongs to humanity, not this leader or that king or prince or religious leader. World belongs to humanity” which finds importance in lives of many apart from those who are the practitioners of the religion he belonged. There were few real time life incidents from his life which portrayed his leadership qualities. Dalai Lama’s spend their life in dedicating to promote humanity. They follow the principle of non- violence and spreading peace. They wanted Tibetans an independent and democratic state, free from other countries. They wanted to have a unique strategy to reach the god and they made their followers to contribute in the same way without any deviations.

There were about 80,000 Tibetan refugees who followed the journey and settled in Dharamsala. Seeking to preserve Tibetan culture and education system, Dalai Lama started Tibetan educational system to children for knowing them about language, culture, history, religion. They also started universities for higher education systems; their aim was not only focused on teaching the history, culture but also to withhold the teaching and lifestyle of Tibetan Buddhism. Finally he met pope of Vatican City and made is religion popular, thus they spread the holiness of the religion, Buddhism worldwide.

## CONCLUSIONS

In today’s world, portraying only one type of leadership style is not to a trait of an effective leader. Possessing the correct combination of all the above mentioned leadership styles is the need of the hour in order to be known as a transformational leader.

Motivation → High performance → Better quality of work

The common characteristic and qualities that motivational leaders follow as generations express unerring positivity, provides moral support to teams, seeks listening skill, communication skill and trust people. On the other hand a political leader should possess the qualities of good listening skill, being empathic, awareness, persuasion, conceptualisation and foresight which will enable them to understand the need of their followers and act accordingly which also includes the capacity to forecast risks and take precautionary measures in advance.

The other major qualities which are needed and have changed over a period of time are as follows:

Face Reality → Think Better → Act Fast

**Face Reality:** The changes are accelerating and not permanent, so the expectations of leaders are higher

**Think Better:** The strategy which we are following should be correct, intensions and decisions should be taken properly

**Act Fast:** Apply the concept of right conduct. Be flexible and innovative, foresee the effect of actions and clearly understand the limitations. Acting and taking decisions for the masses without any bias is also an important factor.

Since the study spoke primarily about deceiving the qualities required for the current generation leaders, by comparing the leadership styles across different time period, we should equally consider the importance that has to be given to their subject knowledge otherwise known as their experience in the domain or functionality they are handling with their team of members or department. Therefore the above mentioned qualities are derived from detailed study of the characterization of leaders in the past and their relevance to the present by giving scope for further amendments in the qualities possessed by the upcoming Z-Generation.

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